#### **IBM Institute for Knowledge-Based Organizations**



### DEVELOPING TRUST TO IMPROVE KNOWLEDGE SHARING

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# General experience suggests that trust plays a key role in organizational success

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Benefit	Example	
Better project outcomes in terms of quality, time or budget	"We came up with a better product because we were willing to challenge each other's assumptions and clarify our thinking."	
Effective delegation	"I was able to empower him more so I could disengage and not be directly involved."	
Better decision making	"We could share control and make better decisions. There wasn't a need for checks and balances."	
Increased confidence and skill	"I feel more confident to volunteer for things because I am trusted to do a good job."	





## We set out to investigate three key questions for this research project

**HOW** does trust affect knowledge sharing and performance in networks?

- ☐ Does trust matter more in different types of interactions (e.g., explicit vs. tacit)?
- ☐ Does it matter more in different circumstances (e.g., high vs. low expertise)?
- ☐ What are the performance implications of trust? (innovation, quality, efficiency)

#### **WHAT** kinds of trust matter?

- ☐ Does competence matter the most or are people more concerned with the other person's benevolence?
- What kinds of trust do we want to invest in developing?

**WHAT** activities, behaviors and interventions lead to trust?

- How can we foster trust and knowledge sharing in situations where they bring the most benefit to the organization?
- ☐ Can we make the direct connection between activities that lead to trust and the performance of project teams?



#### We used a two-part research approach to build a robust understanding of the relationship between trust and knowledge sharing



#### Survey:

- Two parts sent by email
- 138 people
- Three companies
- Three countries
- We asked: Does trust matter for the receipt of useful knowledge?

Key Questions: Thinking back on a recent significant project, who did you go to for useful information? What is the nature of your relationship?



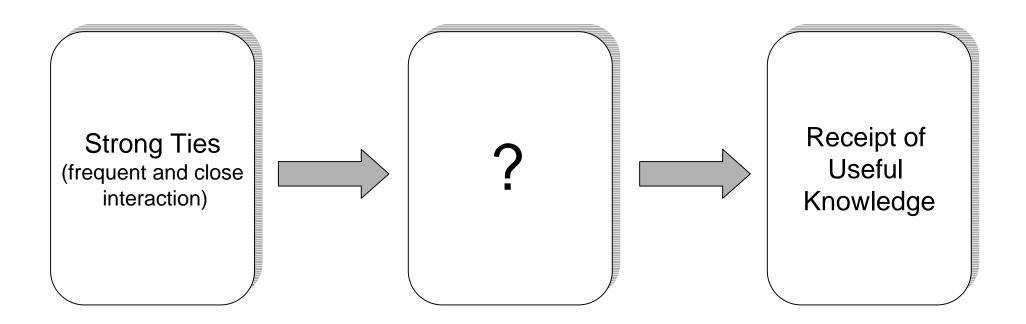
#### Interview:

- •60 75 minutes by telephone
- •35 people
- 19 companies
- Three countries
- We asked: What behaviors and actions signal trust convincingly?

Key Questions: When you are at work, how do you make the judgement that a coworker is a trustworthy source of useful information? What management and organizational practices signal trust?



### What is it about close relationships that fosters knowledge sharing that improves project performance?

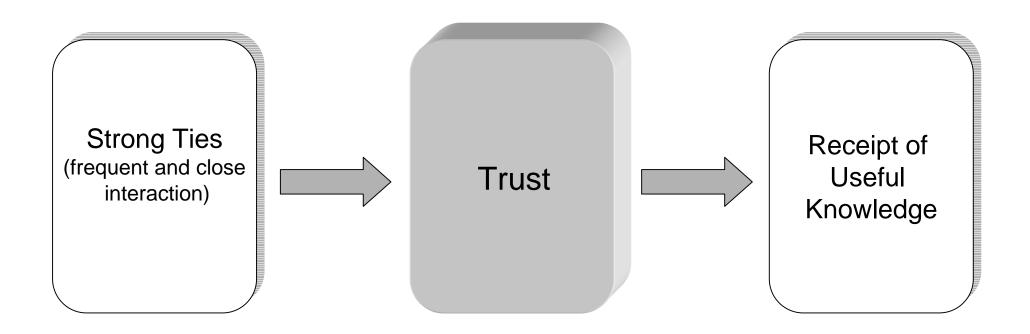


It can't be proximity alone. (Just think about some of the teams you've been on) But maybe it is friendship, or availability or convenience.

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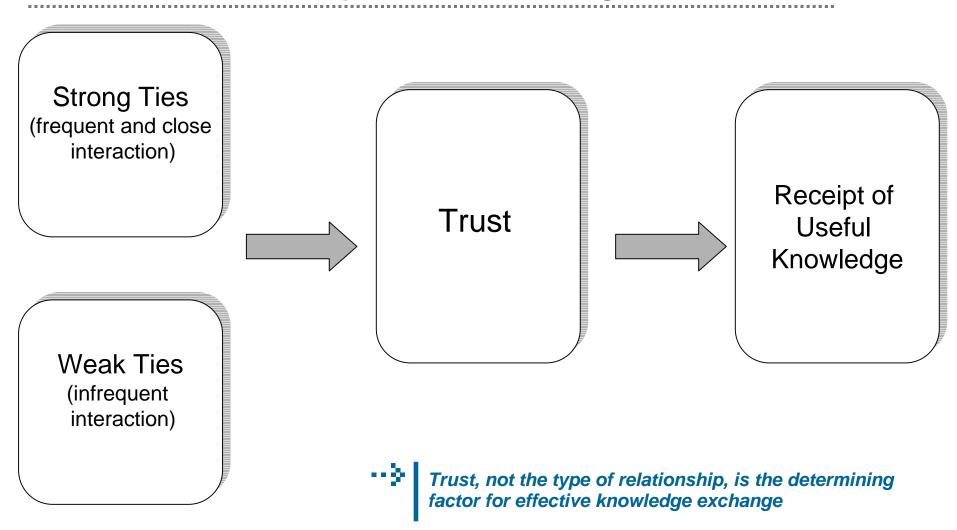
### We found that <u>trust</u> is the key factor between strong relationships and the receipt of useful knowledge



Knowing that trust is the key factor that motivates knowledge transfer means we can accurately devise interventions that will encourage people to share



### Our study showed that trust between people with <u>weak</u> ties will also lead to the receipt of useful knowledge





### We investigated different aspects of trust and found that two types are relevant

Strong Ties (frequent and close interaction)

Weak Ties (infrequent interaction)

Benevolencebased trust

I trust you will not harm me when given the opportunity

Competencebased trust

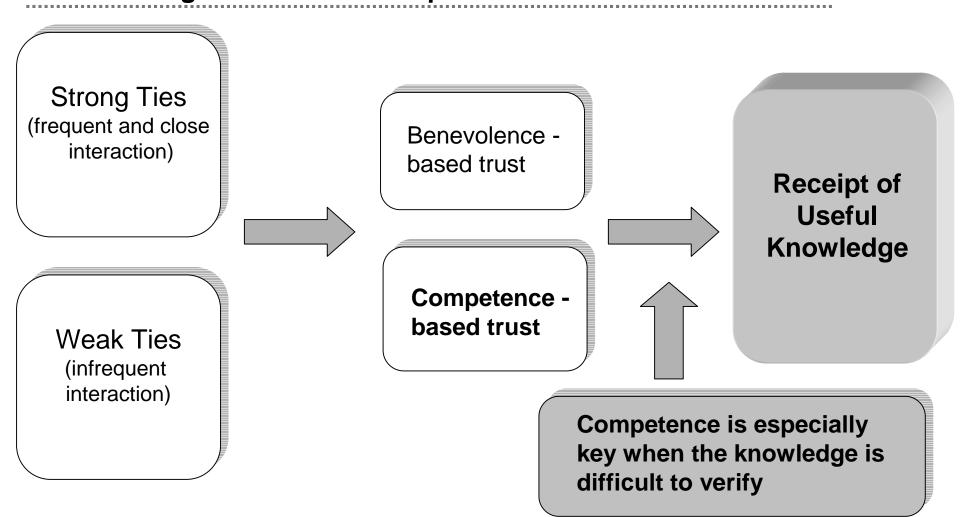
I trust you know what you are talking about Receipt of Useful Knowledge

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What really matters in the receipt of useful knowledge is having a high level of trust that the knowledge source is benevolent and competent



### Competence-based trust appears to be very significant when the knowledge was tacit or complex



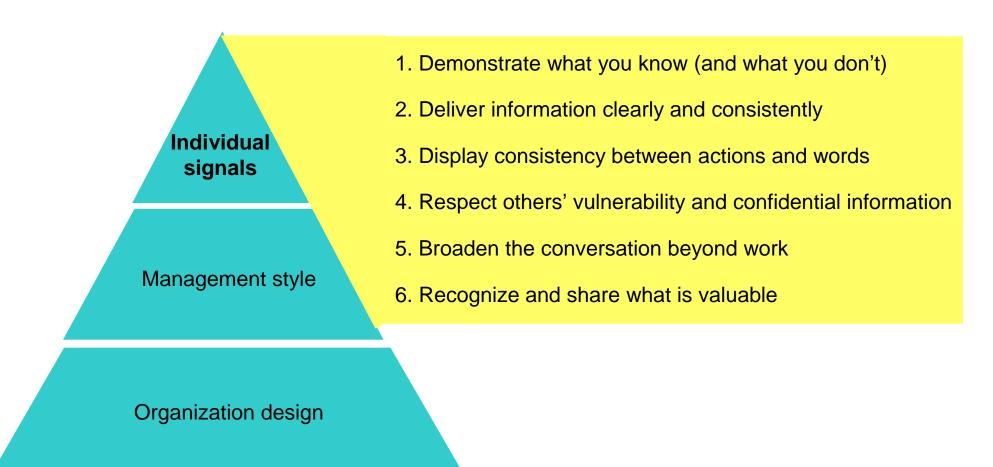


# There are four factors that people look for when deciding whether they will trust a knowledge source

		TOP	
Shared Vision	Shared Language	Discreet Source	Receptive Source
Do we have the same perspective on the work at hand?	Can we understand each other's professional and cultural jargon?	Can you keep a confidence?	Are you accessible and approachable?



### We asked people how they made the judgment that other people are trustworthy. They looked for six key behaviors





### Expertise inspires trust, but it is equally important to admit the boundaries of one's knowledge

#### Knowledge seekers looked for experts who knew the limits of their expertise



"One thing that really helps is that he knows when he could act and when he should call me in. He knew when to enlist my help so he wouldn't cause more problems than he solved."



One way to reinforce this signal is to encourage people to recommend third parties when they believe others may be better versed in a particular subject area



#### Knowledge sources need to be mindful of jargon, honesty, completeness, and timeliness

Clear and consistent information inspired trust



"During the merger everyone was scared about losing their jobs. Management was open, honest and concerned and said honestly that this stuff is being worked on and will be communicated when we know. I believed them based on past behavior."



Not only does poor communication represent a lost opportunity to build trust, a perceived lack of honesty makes it more difficult to build credibility in future encounters



#### Many interviewees used the phrase "walk the talk" to describe the importance of consistency between actions and words

#### Trusted sources displayed consistency between actions and words



"He does what he says he'll do. He keeps commitments and his actions resonate with what he says."

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To be perceived as trustworthy, people need to ensure that they fulfill their commitments and do not promise more than they can deliver



## Trusted knowledge sources and seekers protected confidential information and provided a safe environment to talk freely

Knowledge seekers trust those who respect others' vulnerability and confidential information



"When we did reviews, he and I talked about one of the people on the team and I trusted him to keep my input confidential"



A safe environment where people are willing to expose potential weakness goes a long way to building trust and credibility



### Personal disclosure can contribute to the establishment and growth of trust

#### People who choose to broaden the conversation beyond work may be seen as trustworthy



"We have a human connection between us -- that precedes trust -- that has to do with commonalities outside the company. I got to know her through discussion."

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Establishing some non-work related communication paid dividends in understanding each others' background motivation and ability to maintain confidentiality



## Sharing valuable tacit knowledge and time was mentioned repeatedly as a trust signal

#### Recognize and share what is valuable



"He was able to tell the nuances, the intricacies and idiosyncrasies about the field that you couldn't get from reading stuff."

Once a knowledge seeker has treated the source with respect, the source is likely to feel more at ease with taking that risk again



# In addition to the individual behaviors, managers have two ways they can signal trust convincingly

Individual signals 7. Allow appropriate latitude in completing tasks **Management style** 8. Permit mistakes and allow for uncertainty Organization design



#### Managers need to strike a balance between micromanagement and laissez-faire styles of directing employees

#### A management style that allows appropriate latitude in completing tasks can increase trust



"Mike micromanages. He and I talked about whether I would be just an extension of him or if he was going to pass the baton. We agreed it was a baton pass but Mark is having trouble letting go and following through with that decision."



In order to achieve the optimum balance, managers must remain sensitive to individual's abilities as well as the organization's needs



### Managers need to create an environment that allows people to learn from mistakes and ask questions

Another way to garner the benefits of trust and knowledge sharing is to permit mistakes and allow for uncertainty



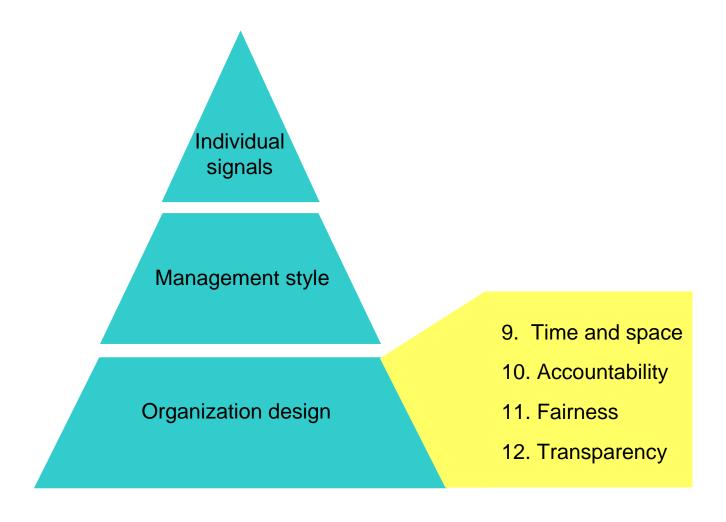
"You can make mistakes -- not big mistakes -- but you are allowed to learn from your mistakes. Failure is a valuable teacher. With this situation there is trust and you can move faster, get more accurate information up front and commitment."

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That "crazy idea" could lead to the next big innovation. Also, asking questions may prevent costly mistakes and improve morale



An organizational context that demonstrates trust convincingly will assure employees of the company's commitment to trust and knowledge sharing



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#### To help foster trust, people need time and space so they have the opportunity to assess their coworkers

#### Allow time and space for people to get to know each other



"There is an effect on trust because of the accumulation of experiences. Once you talk to someone once, you are more likely to talk to them again if you need help at work."

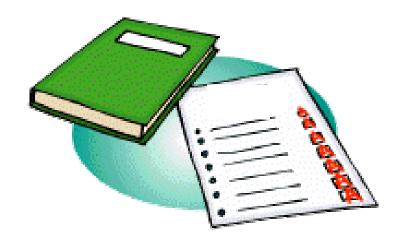


Offer time and space indifferent forms. It is not the happy hour itself that creates trust, but the chance to have a "non-work" experience together



### Trust must be recognized and measured to convince employees that trust and knowledge sharing are valued by the organization

#### Hold employees accountable for demonstrating the value of trust



"We have the values of service, personal excellence, integrity, respect and trust, innovation and teamwork. The how you do something is just as important as what you do. You are evaluated on both levels"



Accountability is key to encourage knowledge sharing.
All employees may need this incentive to "walk the talk"



## Employees judge an organization's commitment to trust by whether its policies are carried out fairly

#### Fair application of standards signals trust



"Our project management standards are pretty loose and that inhibits trust. You can have people going in different directions on the same project. There have been attempts to codify it but we are such a big company and this codification project has no high executive approval or champion."



People don't mind that others are rewarded. What makes them upset are capricious standards.



## Transparent policies and processes demonstrate to employees that the organization trusts people and treats them equitably

#### Transparency allows people to understand the "how" and "why"



"People are not sure what it takes to be promoted. Is it diversity? Is it depth? no clear standards. Different boards promote different people. No due process -- the board makes a recommendation but an individual manager might do what he feels like anyway."

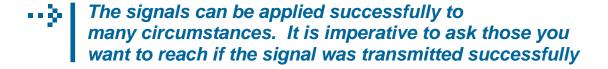


Employees won't necessarily like all of the policies, but at least they will know what they are



## These results suggest certain actions that people can take to signal their trustworthiness

- Be wary of promising more than you can deliver well. It is more important to be clear about your expertise and ability than to try to impress people in the short term
- Offering time or other valuables is a very strong signal of trust. You can take small risks and judge the result before taking a chance with something more important
- Efforts to broaden the conversation beyond work can even be a short conversation in the elevator. You don't need to have a structured event or a lot of time to take advantage of this technique





#### There are also approaches for helping teams work more effectively

- Allow enough time and latitude for brainstorming and asking questions. Rather than diving right into the task, set up an environment where people can make mistakes or offer half-baked opinions while keeping to a project plan
- Make sure that all team members are offering both time and expertise to the project effort. Team members don't trust freeloaders
- Be sure to keep everyone on the team, the client and any supervisors aware of the project's progress, successes and difficulties

Trusting behavior from the beginning will likely head off time- and money-consuming problems down the road



## This research has implications for improving virtual collaboration, where trust is a major issue

- Provide time and space virtually for people to broaden the conversation beyond work. Sometimes a facilitated semi-structured discussion can have a similar benefit to a "happy hour" or water cooler exchange
- Since there are fewer cues about mood, intention and body language when working virtually, it is imperative to communicate frequently and clearly. Check with your teammates to insure that you've been understood
- Since there are fewer signals virtually than face-to-face, consistency between words and follow-through is even more important

